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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA - SOUTHERN DIVISION
HONORABLE CORMAC J. CARNEY, U.S. DISTRICT JUDGE

SECURITIES AND EXCHANGE)	
COMMISSION,)	
)	Certified Transcript
Plaintiff,)	
)	Case No.
vs.)	8:18-cv-00813-CJC-KES
)	
PREMIER HOLDING CORPORATION,)	
et al.,)	
)	
Defendants.)	

REPORTER'S TRANSCRIPT OF PROCEEDINGS
STATUS CONFERENCE
THURSDAY, NOVEMBER 10, 2022
10:03 A.M.
SANTA ANA, CALIFORNIA

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ALSO PRESENT:

Randall Letcavage
Scott Dinsmoor

1 **SANTA ANA, CALIFORNIA; THURSDAY, NOVEMBER 10, 2022**

2 **10:03 A.M.**

3 - - -

4 THE COURTROOM DEPUTY: Calling Item Number 2,
10:03AM 5 SACV 18-00813, Securities and Exchange Commission versus
6 Premier Holding Corporation, et al.

7 Counsel, please state your appearances.

8 MR. ELLENBOGEN: Good morning, Your Honor. Ben
9 Ellenbogen for the Securities and Exchange Commission.

10:04AM 10 THE COURT: Hello, Mr. Ellenbogen.

11 MR. ELLENBOGEN: Hello.

12 MR. TRAD: Good morning, Your Honor. Phillip Trad
13 on behalf of defendant Mr. Letcavage. And I should advise the
14 Court that Mr. Letcavage is on his way. He had a major
10:04AM 15 mechanical breakdown. He had to switch cars, but he will be
16 here shortly.

17 THE COURT: Okay. Very well. What I wanted to do
18 is talk to you about the evidentiary hearing on whether one or
19 more of the defendants should be held in civil contempt.

10:04AM 20 Mr. Ellenbogen, tell me a little bit about what you
21 envision the hearing being like: How long? How many
22 witnesses? When will you be ready to go?

23 MR. ELLENBOGEN: Thank you, Your Honor. Do you
24 mind -- sitting is okay?

10:04AM 25 THE COURT: That would be fine for this purpose.

1 MR. ELLENBOGEN: Let me note for the record, also,
2 that Premier's CEO, Scott Dinsmoor, is in the courtroom as
3 well, unrepresented.

4 THE COURT: Hello.

10:05AM 5 And since the company is a defendant, they have to
6 have counsel.

7 And is there no counsel present to represent the
8 company?

9 MR. DINSMOOR: I have no counsel.

10:05AM 10 THE COURT: All right. Given that fact, I don't
11 think it would be appropriate, sir, for me to have you sit at
12 the table because you're not able to represent the corporation
13 since you're not a lawyer. Only a lawyer can represent the
14 corporation. All right.

10:05AM 15 MR. ELLENBOGEN: Thank you, Your Honor.

16 We would envision probably a very simple hearing
17 with just a few witnesses. The witnesses that I envision and
18 the SEC would envision that would appear would be Mr. Letcavage
19 on behalf of himself and on behalf of Premier Holding, as he
10:06AM 20 was the CEO during the totality of the relevant period of 2012
21 through the time we brought the litigation.

22 I think it would also be very helpful for
23 Mr. Dinsmoor to appear as the representative and only
24 representative, as far as I know, of Premier and its current
10:06AM 25 status. And Mr. Dinsmoor would be able to explain

1 inconsistencies potentially in his testimony and information
2 that has come to light subsequent to the Order to Show Cause.

3 For example, we have learned what appears to be that
4 Mr. Dinsmoor sent fundraising emails before he was -- he
10:06AM 5 testified that he was involved with Premier. So we want to get
6 a little background on that. And that he had a consulting
7 agreement with one of the companies that Mr. Letcavage was
8 affiliated with but did not disclose he was affiliated with,
9 yet he has no -- Mr. Dinsmoor has no business background, no
10:07AM 10 formal training, and it's a science company. So there's a lot
11 to explain.

12 And, of course, Mr. Letcavage can explain the
13 history of Premier Holding and the assets of what happened to
14 the assets, what was raised and what happened, both for Premier
10:07AM 15 and for himself because he has utterly failed to do so during
16 the litigation, and now in the post-discovery litigation as
17 summarized by Magistrate Judge Scott in her order.

18 And I think we have one other witness that might be
19 able to help us out, and that is the secretary throughout much
10:07AM 20 of the relevant time period at Premier. Her name is Megan
21 Bradshaw. And she has been the secretary and the bookkeeper,
22 as far as we understand it, for Premier and for a number of
23 Mr. Letcavage's other companies, which we have reason to
24 believe monies were transferred to and from, and that she
10:08AM 25 handled that.

1 Just a couple of pieces of background that might
2 clarify a few of the issues. We learned during the
3 post-litigation discovery of at least 13 companies, which
4 Mr. Letcavage appears to have been affiliated with, which he
10:08AM 5 did not disclose, and over 40 bank accounts, which he appears
6 to be affiliated with at some time during the relevant period,
7 which he did not disclose, provided that information to
8 Mr. Letcavage through his counsel and -- for explanation.

9 And we haven't gotten any additional documents that
10:08AM 10 would clarify what's happening, whether these -- they admitted
11 some of these accounts and some of these companies he was
12 affiliated with. But we were provided with no business
13 records, no account statements, no information that would help
14 us learn what happened to the assets and where they may be. So
10:09AM 15 I think we need to have Mr. Letcavage testify as to those areas
16 as well.

17 THE COURT: Now, I was, obviously, going to ask
18 Mr. Trad what he envisions and the witnesses that he does -- I
19 gather from the papers that the defense is "As far as the
10:09AM 20 money, we don't have money. With respect to the discovery
21 order, we're doing the best we can." I'm just trying to
22 simplify it.

23 Do you anticipate having witnesses to impeach
24 whatever these witnesses will say by the defense?

10:09AM 25 MR. ELLENBOGEN: I have Mr. Letcavage's documents

1 and emails from Mr. Trad to impeach. Mr. Letcavage, through
2 his counsel, has informed us that he does have money. He has
3 some money to pay us somewhere between 400,000 and \$800,000,
4 which he hasn't paid. I've asked why; it hasn't been answered.

10:10AM 5 With regard to they're trying to cooperate, I don't
6 know who else to ask. I mean, we can put on an SEC examiner
7 perhaps to authenticate the work that we've done, public record
8 searches, et cetera, to indicate that there are documents that
9 exist that indicate that Mr. Letcavage has some affiliation
10:10AM 10 with other companies. So maybe that's another witness that we
11 could add as well.

12 THE COURT: Well, I guess -- and maybe I should hear
13 from Mr. Trad first -- what I'm trying to do is I'm viewing
14 this as a bench trial. It's an evidentiary hearing. And so
10:10AM 15 what I need you both to do is disclose the witnesses to each
16 other, talk about the documents that are going to be
17 introduced, because I don't want to be fumbling over documents
18 at the hearing. I want to use the time appropriately.

19 So I'm trying to get a sense of are we ready to go
10:11AM 20 and have this evidentiary hearing next Friday, yes or no? And
21 we'll go until we're done.

22 MR. ELLENBOGEN: I'm sorry, Your Honor.

23 THE COURT: That's why I'm asking you these
24 questions. I'm not making any decision on whether he's in
10:11AM 25 compliance or not. I'm just -- I get it. I sense the defense

1 is "We are in compliance to the best we can." I don't know
2 whether that's true or not. They're going to be given an
3 opportunity to do that. I just need to know the logistics of
4 this proceeding.

10:11AM 5 MR. ELLENBOGEN: I understand. Thank you,
6 Your Honor.

7 I think that there may be one step we can take
8 before that. And, again, you know, some admissions that the --
9 the counts that we have found, the businesses we have found,
10:11AM 10 admissions that he was affiliated with them and these are his
11 accounts, that will make that step a lot easier.

12 With regard to a hearing next Friday, it's a little
13 bit problematic because I'm coming from New York and I'd have
14 to go back and forth. I might need a little bit more time,
10:12AM 15 just practically speaking. A couple of weeks is all I need.
16 But I don't know what other steps we would need to take to be
17 prepared other than conversations with counsel to narrow the
18 scope of what additional materials we could -- we will need to
19 authenticate outside of what Mr. Letcavage authenticates for
10:12AM 20 us.

21 THE COURT: Okay. Mr. Trad, give me your sense of
22 what you envision in this evidentiary hearing.

23 MR. TRAD: I actually agree with counsel's
24 assessment. I don't think it's an overly complicated hearing.
10:12AM 25 It's going to be relatively straightforward other than the

1 witnesses he has potentially suggested. We may need a
2 representative of the SEC since, obviously, Mr. Ellenbogen
3 couldn't testify -- to testify as to what their efforts were.

4 But my primary concern is that -- and I responded to
10:13AM 5 this in recent correspondence -- unfortunately, Mr. Ellenbogen
6 and I have been changing documents within the last few days.
7 We didn't have the luxury of a lot of time. But there's a
8 reference to these 13 corporations. We've already provided
9 corporate records and stock certificates of over 20
10:13AM 10 corporations that Mr. Letcavage hasn't been provided.

11 So we haven't had a chance to review all these other
12 companies that are -- there's no information, just a list of
13 names. And, more importantly, he makes reference to 43 bank
14 accounts. We have no information on those accounts except
10:13AM 15 those that we can identify, which we've responded to. And we,
16 obviously, would have to have the ability to research and
17 prepare for the fact that they're going to put evidence on 43
18 accounts. We believe most of those are years old, closed, or
19 whatever.

10:13AM 20 But until I can get actual records from the
21 Commission so that we can do appropriate and reasonable
22 inquiries so we know what the heck we're talking about, I don't
23 know how we get a reasonable opportunity to do that in less
24 than a month. And I don't want to run into Christmas holidays,
10:14AM 25 but I have no choice.

1 And the Court has its court calendar it has to deal
2 with. But we have to be able to get the evidence. And
3 Mr. Ellenbogen and I have been trying to cooperate on
4 exchanging the documents or information. And so if we can get
10:14AM 5 that information, the sooner, the better, then we can make
6 inquiry. And we might be able to resolve some of this even
7 before any factual hearing date that the Court may set.

8 So that would be my position. If they're going to
9 send out a request for admissions, I don't know what they are
10:14AM 10 until I see them, as far as any post-judgment.

11 THE COURT: Right.

12 MR. TRAD: But I would indicate that we have filed
13 an amended financial disclosure with the SEC, and Mr. Letcavage
14 is prepared to testify to that. And, hopefully, we can
10:14AM 15 continue a possible resolution in this matter.

16 The practical side of it is no matter which way you
17 go, Mr. Letcavage does not have \$10 million in ground numbers
18 to satisfy this judgment. But there are informative things
19 that would work that would help get both sides at least some
10:15AM 20 benefit to this resolution. So that's our position.

21 THE COURT: I appreciate it, what you're saying.

22 Let me give you some comfort. There's going to be
23 due process, but this case is really -- has been there for a
24 while, and I need to resolve it. And I take the orders that
10:15AM 25 were issued by me and the judgment issued by me very seriously.

1 And I need to get to the bottom of this sooner rather than
2 later. But I don't want this to be a circus. I want this to
3 be handled like it was a trial.

4 So that means there needs to be meeting and
10:16AM 5 conferring and disclosing the witnesses, disclosing the
6 exhibits, and teeing the issues up for the evidentiary hearing
7 so it can be meaningful. Because if not, we're going to be
8 stopping and starting for weeks. And I just can't -- I don't
9 have that time and it's not going to be appropriate.

10:16AM 10 So this is a request on my part is how do I get you
11 guys to give each other what you need to be prepared to have
12 this hearing?

13 MR. TRAD: Might I suggest, Your Honor, that give
14 Mr. Ellenbogen and I at least a short window, couple of weeks
10:16AM 15 to get that somewhat procedurally worked out and maybe a status
16 conference call with the Court once we know where we're at so
17 the Court could better evaluate when it would like to schedule
18 and the time it might be involved so we're not wasting time and
19 wasting burdening the Court?

10:16AM 20 THE COURT: I am open to that as long as it's not
21 too long. Again, I want to move with diligence. I don't want
22 to rush it. I don't want to, in any way, deny anybody due
23 process. But I've got to move this because the disputes that
24 you've had, from where I'm sitting, they've been outstanding
10:17AM 25 for too long. I don't understand why there hasn't been a

1 resolution or an evidentiary hearing before now.

2 MR. ELLENBOGEN: Your Honor, can I add my two cents?

3 THE COURT: Sure.

4 MR. ELLENBOGEN: I appreciate what you're saying.

10:17AM 5 The one -- it's almost a catch-22. But as Mr. Trad is
6 explaining, he is making the SEC -- his client is making the
7 SEC find all of the information to provide him about what his
8 clients -- where he had accounts, where he had assets, where --
9 what company he's affiliated with. He's not providing it to

10:18AM 10 us. The burden has somehow shifted to us to find out the
11 information. And it's a little tricky because, you know --

12 THE COURT: The burden's not on you. The burden on
13 you is to say, "Here are the orders, and they haven't been
14 complied with."

10:18AM 15 And it's up to the defense to say, "We can't comply"
16 or "We have complied." I don't want to dance around it.

17 You know, my choice is, "Okay, we'll be here next
18 week. Call your first witness."

19 MR. ELLENBOGEN: No, Your Honor.

10:18AM 20 THE COURT: I don't think that --

21 **(Mr. Letcavage entered the courtroom.)**

22 THE COURT: This must be Mr. Letcavage.

23 Come forward, sir.

24 How are we going to move forward? Are we going to
10:18AM 25 start the hearing next Friday? Or are you going to try to get

1 together and at least coordinate the witnesses, the exhibits,
2 see if you can resolve the issues or what?

3 MR. ELLENBOGEN: Thank you. I understand,
4 Your Honor. And, again, I agree with you, that there have been
10:19AM 5 numerous orders to Mr. Letcavage to produce documents, to
6 produce money. There have been numerous correspondence from us
7 saying "You failed," and numerous motions saying "for
8 contempt."

9 So we're at a place where we are -- we don't know
10:19AM 10 what's left to do. We're happy to begin a hearing as soon as
11 practical from my end, which would be a couple of weeks.

12 I'm also open to Mr. Trad's suggestion that we get
13 together and try to narrow the scope and come to an agreement,
14 at least, about what issues remain in dispute, and we can then
10:19AM 15 have a -- maybe a more focused hearing. I'm open to either.

16 But I think the SEC, other than the practical issue
17 of flying back and forth and getting materials ready as quickly
18 as Friday, we would be ready to go. So I would say maybe a
19 couple of weeks for that or a little bit longer if Mr. Trad --
10:20AM 20 as Mr. Trad has requested is fine with us as well.

21 THE COURT: Okay. Here's what I'd like to do.
22 Mr. Trad, I'll give you an opportunity if you object to it.

23 You're here today. Use this time, especially since
24 you came all the way out from New York. Start talking now.
10:20AM 25 We'll have a telephonic conference next Friday at 9:00 a.m. to

1 discuss the evidentiary hearing. My hope is that we could
2 start that evidentiary hearing November 28th. And if you can't
3 start it then, please be prepared to tell me why you can't.

4 MR. ELLENBOGEN: Yes.

10:20AM 5 MR. TRAD: Your Honor, I pose no objection to that.
6 We actually have intended to meet at the conclusion of today
7 because we have some supplemental discovery things that we're
8 coordinating. This hearing sort of fell in the middle of one
9 of them. And I think that would give us ample opportunity.

10:21AM 10 I think we can deal with most of the issues. But as
11 the SEC has stated, we found 43 bank accounts that may -- until
12 we have the accounts, until we have the information, I can't
13 prepare for that. But maybe we should be able to accomplish
14 that --

10:21AM 15 THE COURT: Hopefully you will.

16 MR. TRAD: -- this week and get that ironed out so
17 that we're ready to go. Otherwise, I wouldn't have a potential
18 objection to November 28. I think we should have enough time
19 in that period to get all of this ready.

10:21AM 20 THE COURT: Good. So we'll hopefully finalize,
21 then, the parameters of the evidentiary hearing on November 18.
22 We can do that telephonically. But let's tentatively plan for
23 the evidentiary hearing November 28.

24 And so you're not shocked, what I would
10:22AM 25 anticipate -- in anticipation of the evidentiary hearing on the

1 28th, I would appreciate a very short opening brief from each
2 side so I kind of know what -- the issues that you're going to
3 be focusing on. And you can start thinking about those issues.

4 MR. TRAD: Very well, Your Honor.

10:22AM 5 THE COURT: And then we'd have the evidentiary
6 hearing until you're done, and then closing arguments. And
7 we'll see how the evidentiary hearing goes, if I need some time
8 to assess and deliberate. And then I'll get a decision out one
9 way or the other.

10:22AM 10 Does that make sense?

11 MR. TRAD: Makes sense to me, Your Honor.

12 MR. ELLENBOGEN: That sounds very good.

13 May I suggest maybe to Mr. Trad. I know there's
14 rooms right around the corner. I think there's rooms that we
10:22AM 15 can discuss, and I can call my colleagues in New York as well,
16 and we can all see if we can work out some of these issues
17 right now while we're here.

18 THE COURT: I appreciate that. You can use the
19 courtroom. You can use the conference rooms right outside. We
10:23AM 20 won't lock it up for you.

21 MR. ELLENBOGEN: Okay.

22 MR. TRAD: Thank you so much, Your Honor.

23 THE COURTROOM DEPUTY: All rise. This Court is in
24 recess.

10:23AM 25 **(Proceedings concluded at 10:23 a.m.)**

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*Debbie Hino-Spaan, CSR No. 7953
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